

The Latin American Companies Circle: Interim Report and Future Plans

6th Meeting of Latin American Corporate Governance Roundtable

September 20-21, 2005

Lima, Peru

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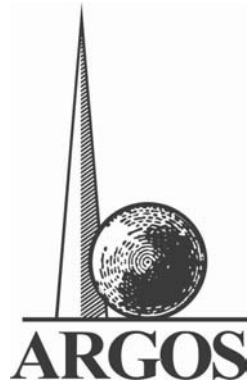
Background

- Response to a request during last Roundtable meeting
- Established with support of OECD and IFC
- Invitation to larger private Novo Mercado Companies and dedicated Roundtable company participants

Objectives

- Provide private sector input to the Roundtable
- Share experiences.
- Showcase progress
- Promote dialogue companies/investors

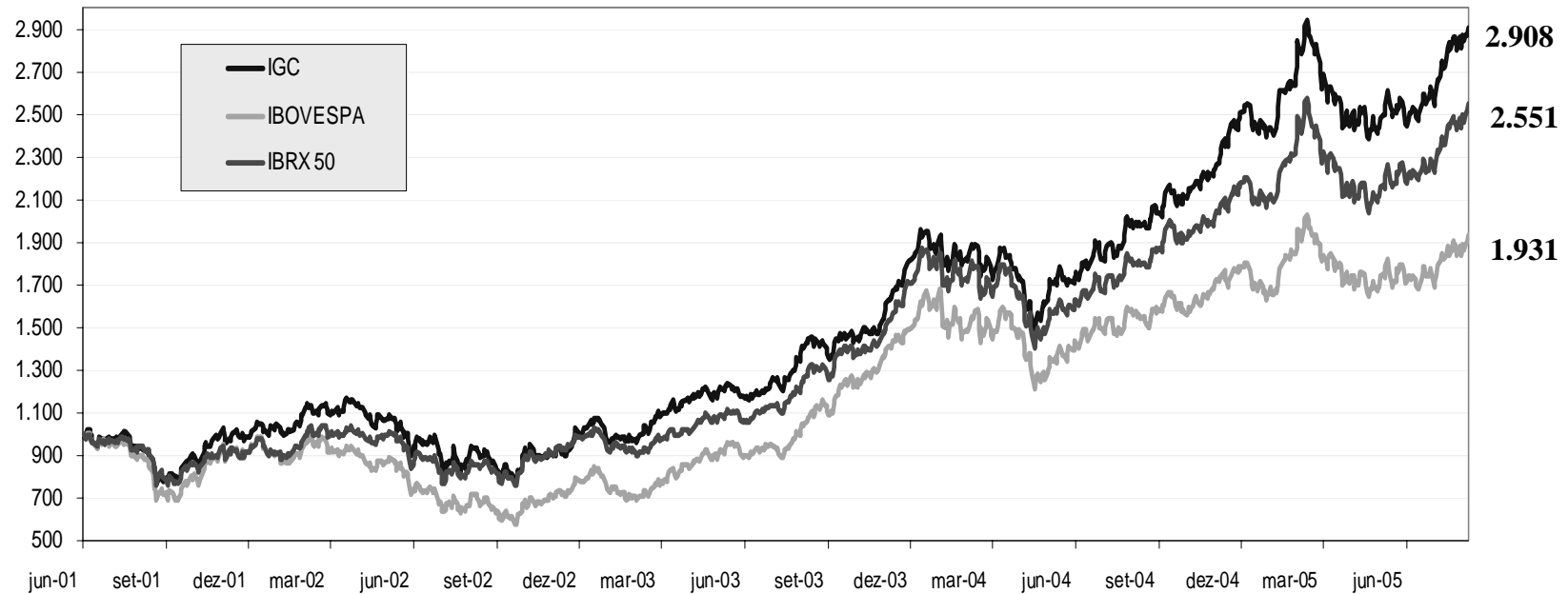
Initial Companies Circle Members



Novo Mercado

- Special listing segment for companies committed to higher corporate governance practices than required by the Brazilian law
- 3 segments: Level 1, Level 2 and Novo Mercado
- 57 companies
 - 15% of # companies traded
 - 43% of market capitalization

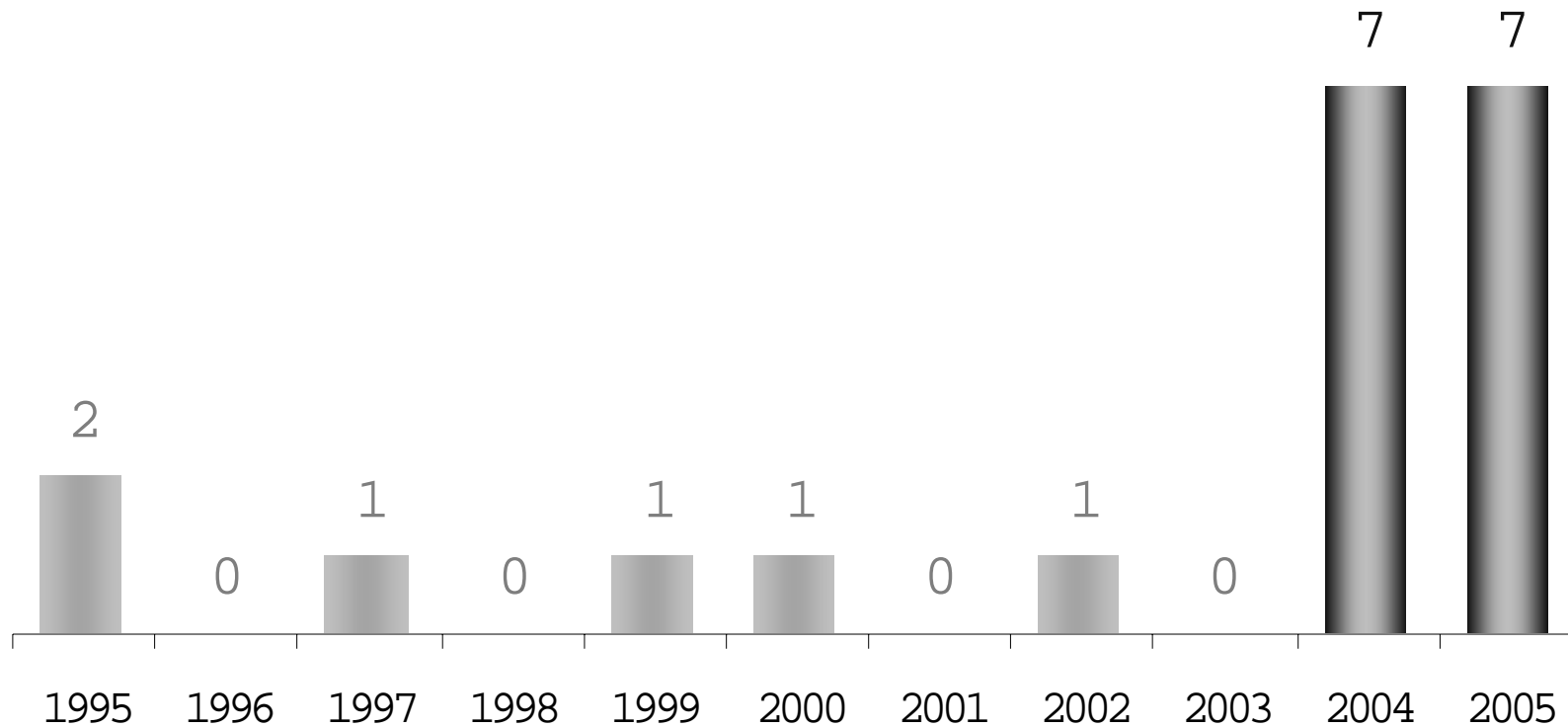
Good governance value: ICG x IBOVESPA x IBRX50



	Aug/05	2005	Since 26/06/01
ICG	9,74%	14,26%	191%
IBOVESPA	7,69%	7,05%	93%
IBRX50	10,28%	15,80%	155%

Primary Market Activity

of IPOS



Companies Circle Inaugural Meeting in May



BOVESPA , São Paulo

Priorities

- Key role of management in fostering good governance
- Act as sounding board/force for change
- Spread the word on advantages of CG path
- Regulation and enforcement are required to orient market
- Compliance and good governance are not the same
- Importance of clear benchmarks (BOVESPA, IBGC, IFC, OECD)
- CG is a process not a destination

Future plans

- Meeting in November 22nd in São Paulo
 - Launch 8 cases to press and private/public sector communities
 - Session with John Wilcox (TIAA-CREF)
 - Practice Guide: easy-to-use document to orient path towards better governance
 - Obtain company input to Roundtable work in progress
 - Plan an investor meeting for 2006